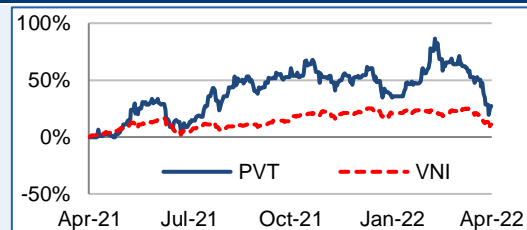


PetroVietnam Transportation (PVT)

Earnings Flash

Industry:	Oil & Gas		2021	Q1 22	2022F
Report Date:	April 27, 2022	Rev Growth	-0.2%	17.8%	12.5%
Current Price:	VND19,650	EPS Growth ⁽²⁾	3.6%	16.5%	23.6%
Target Price ⁽¹⁾ :	VND26,700	EPS Growth ⁽³⁾	-0.6%	11.8%	24.4%
Upside to TP:	+35.9%	NPAT (VND bn) ⁽³⁾	666	153	828
Dividend Yield:	5.1%	EV/EBITDA	4.4x	N/A	4.0x
TSR:	+41.0%	P/E ⁽²⁾	11.3x	N/A	9.2x
Rating ⁽¹⁾ :	OUTPERFORM	P/E ⁽³⁾	10.1x	N/A	8.1x



Market Cap:	USD276.5mn		PVT	VNI
Foreign Room:	USD104.7mn	P/E (ttm) ⁽²⁾	9.8x	15.2x
ADTV30D:	USD4.0mn	EV/EBITDA	4.2x	N/A
State Ownership:	51.0%	Net D/E	5.9%	N/A
Outstanding Shares:	323.7 mn	ROE	12.7%	15.7%
Fully Diluted Shares:	323.7 mn	ROA	5.3%	2.6%

(1) TP & rating last updated March 1, 2022; (2) recurring; (3) reported

Company Overview

PVT is the dominant domestic provider of maritime transportation services for Vietnam's oil & gas industry. PVT owns the largest liquid tanker fleet in Vietnam and holds a dominant market share for the crude oil transportation of Binh Son Refinery (BSR, 420,000 DWT), 30% for oil products (160,000 DWT), 90% for liquefied petroleum gas (LPG, 42,500 DWT), 10% for coal transportation (83,000 DWT) and 10% for floating oil storage (FSO).

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Contribution of new tankers drives Q1 profit, as expected

- PVT released Q1 2022 results with revenue and recurring NPAT-MI rising 17.8% YoY and 16.5% YoY, respectively, as they were driven by 1) contributions from new tankers acquired in H2 2021 and 2) a recovery of transportation demand. Reported NPAT-MI increased only 11.8% YoY as there was no one-off profit from tanker liquidation in Q1 2022.
- In Q1 2022, PVT invested in two new chemical tankers with capex of VND361bn (USD16mn), completing 16.9% of our full-year forecast.
- Q1 2022 revenue and recurring NPAT-MI completed 22.8% and 18.7% of our respective full-year forecasts and were within our expectations. We expect higher profit in future quarters as 1) net profit is typically low in Q1 when the company books maintenance expenses in advance and 2) as we expect PVT could raise crude oil/chemical tanker rates for several overseas transportation contracts in Q2 2022 as international crude/chemical tanker rates have recovered since March 2022.
- We foresee insignificant changes to our current forecasts, pending a fuller review.

Figure 1: PVT's Q1 2022 results

VND bn	Q1 2021	Q1 2022	YoY growth %	% of VCSC's 2022F
Revenue	1,717	2,022	17.8%	22.8%
Transportation	1,200	1,475	22.9%	22.4%
FSO, trading & other	516	547	5.9%	23.9%
Gross profit	258	291	13.1%	21.0%
Transportation	172	202	17.6%	20.3%
FSO, trading & other	86	89	4.1%	22.8%
Sales & marketing exp	-3	-2	-30.0%	16.4%
General admin exp	-53	-52	-2.1%	19.8%
Operating profit (EBIT)	201	237	17.8%	21.3%
Financial income	39	37	-4.5%	19.4%
Financial expenses	-46	-50	9.3%	26.5%
In which, interest expense	-41	-43	4.9%	23.0%
Share profit/loss from associates	0	0	N.M.	0.0%
Net other income/loss	39	15	-62.9%	11.6%
NPAT-MI, reported	136	153	11.8%	18.5%
NPAT-MI, recurring	117	136	16.5%	18.7%

Source: PVT, VCSC. Note: Recurring NPAT = operating profit + interest income – interest expense + income from JVs (not accounting for FX gain/loss and profit from asset disposal).

VCSC Rating System

Stock ratings are set based on projected total shareholder return (TSR), defined as $(\text{target price} - \text{current price}) / \text{current price} + \text{dividend yield}$, and are not related to market performance.

Equity rating key	Definition
BUY	If the projected TSR is 20% or higher
OUTPERFORM	If the projected TSR is between 10% and 20%
MARKET PERFORM	If the projected TSR is between -10% and 10%
UNDERPERFORM	If the projected TSR is between -10% and -20%
SELL	If the projected TSR is -20% or lower
NOT RATED	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulation and/or firm policies in certain circumstances, including when VCSC is acting in an advisory capacity in a merger or strategic transaction involving the company.
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Unless otherwise specified, these performance parameters are set with a 12-month horizon. Movement in share prices may cause a temporary mismatch between the latest published rating and projected TSR for a stock based on its market price and the latest published target price.

Target prices are generally based on the analyst's assessment of the stock's fair value over a 12-month horizon. However, the target price may differ from the analyst's fair value if the analyst believes that the market will not price the stock in line with assessed fair value over the specified time horizon.

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